

NORBIT

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First quarter 2023 presentation

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16 May 2023

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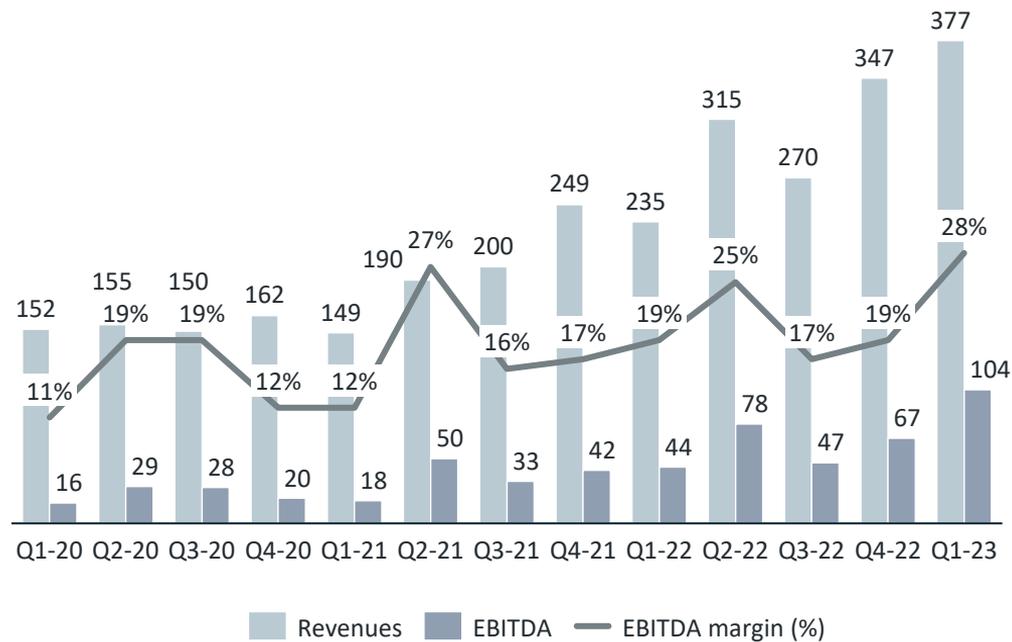
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Another record quarter supported by strong demand in all segments

Revenues and EBITDA

NOK million



First quarter 2023

- 60 per cent revenue growth from the first quarter of 2022
- Growth supported by strong demand in all three business segments
- EBITDA ended at NOK 104 million, resulting in a margin of 28 per cent
- Good progress towards the target for 2023 to deliver revenues in excess of NOK 1.4 billion and continued margin improvement
- In May, the annual general meeting decided to distribute a dividend of NOK 0.70 per share for the financial year 2022

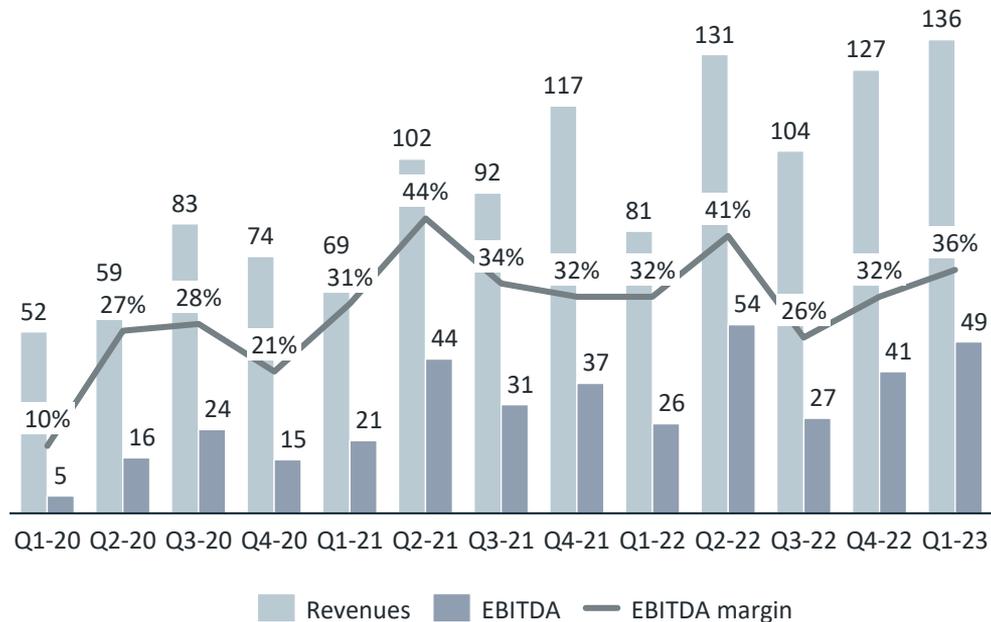


OCEANS

Oceans – Continued growth and margin improvement

Revenues and EBITDA

NOK million



First quarter 2023

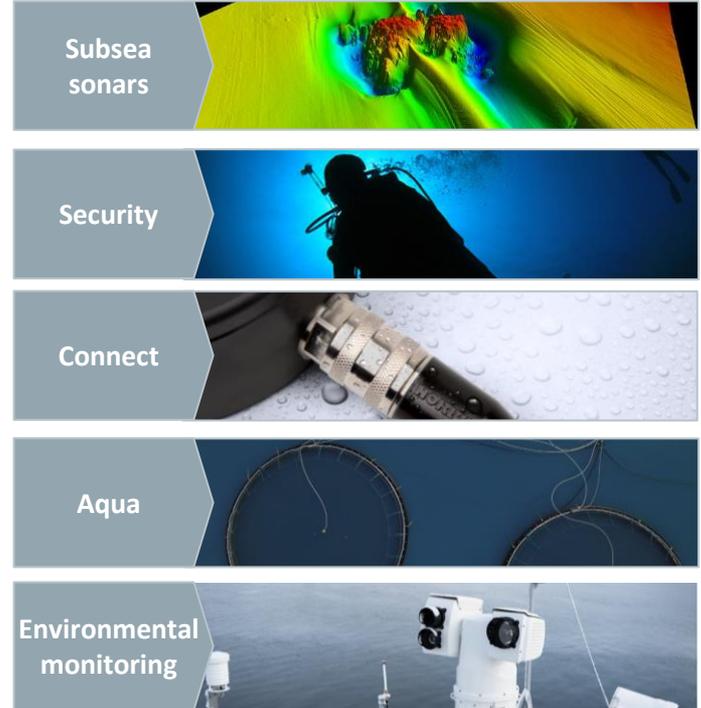
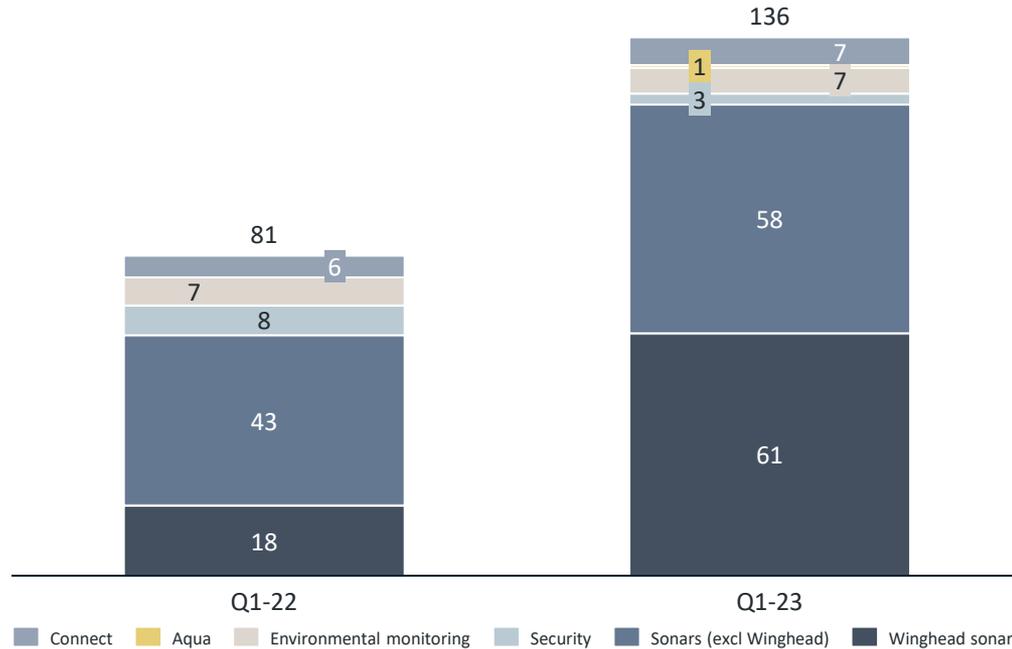
- Revenues of NOK 136 million, an increase of 68 per cent from Q1-22
 - Mainly attributed to increased sonar sales and a few larger deliveries
- EBITDA margin of 36 per cent, compared with 32 per cent in Q1-22

Main events

- Subsequent to quarter-end, NORBIT acquired the business and certain assets from Seahorse Geomatics Inc.

Strong sales driven by continued growth in demand for sonars

Oceans' revenue mix
NOK million



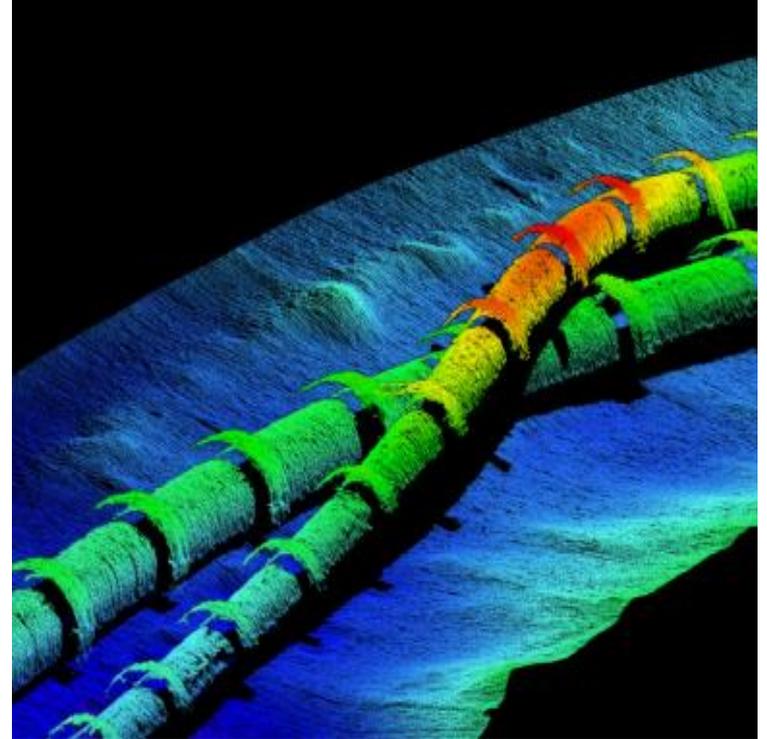
Broaden product offering



NORBIT WINGHEAD® B44 Deep Sea



Ultra High-Resolution Curved Array Bathymetric System Deep Sea Rated.



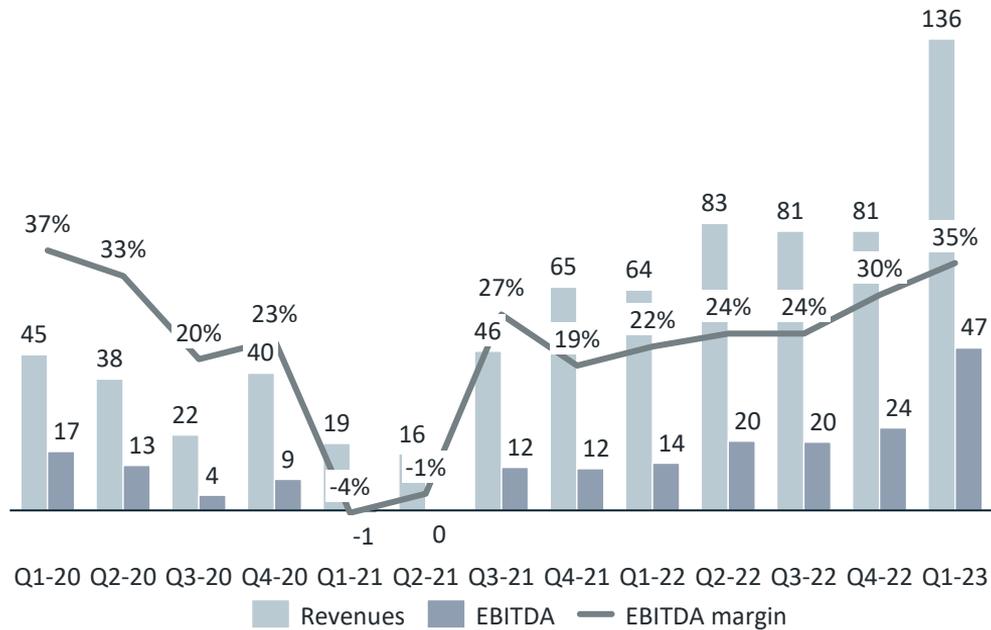


CONNECTIVITY

Connectivity – Record quarter with revenues more than doubling

Revenues and EBITDA

NOK million



First quarter 2023

- Revenues of NOK 136 million, representing an increase of 114 per cent from Q1-22, driven by continued strong demand for DSRC products
- EBITDA margin of 35 per cent, compared to 22 per cent in Q1-22

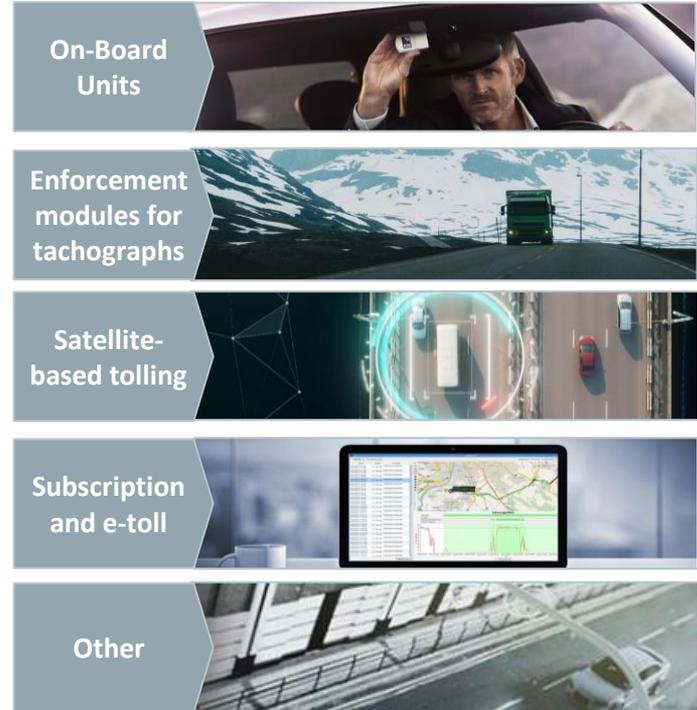
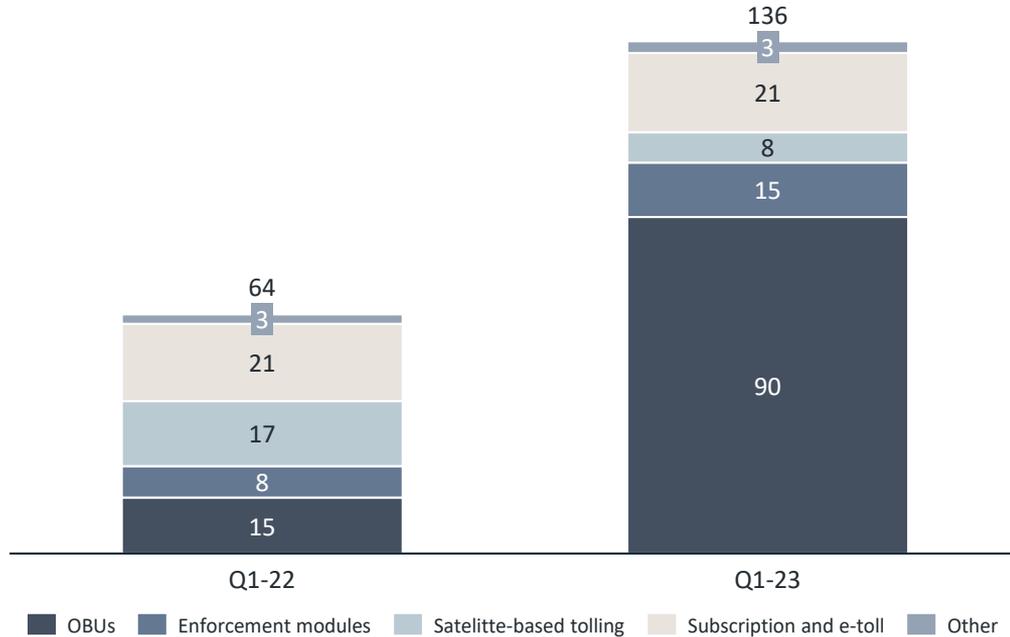
Main events

- Signed contracts for close to NOK 1.0 billion so far in 2023
- Acquisition of the IoT start-up CPS for an equity value of NOK 12.6 million

Revenue growth primarily driven by strong On-Board Unit sales

Connectivity revenue mix

NOK million



Connectivity with order intake of close to NOK 1.0 billion so far this year

On-Board Units

***European insurance
company***

~NOK 150 million

H1 2023

On-Board Units

***European
company***

~NOK 270 million

Q2'23 – Q2'25

On-Board Units

***Fremtind
Service***

Undisclosed

2023-2024

***Enforcement
modules***

***Blue-chip industrial
client***

> NOK 500 million

Q1 2024 – Q1 2029

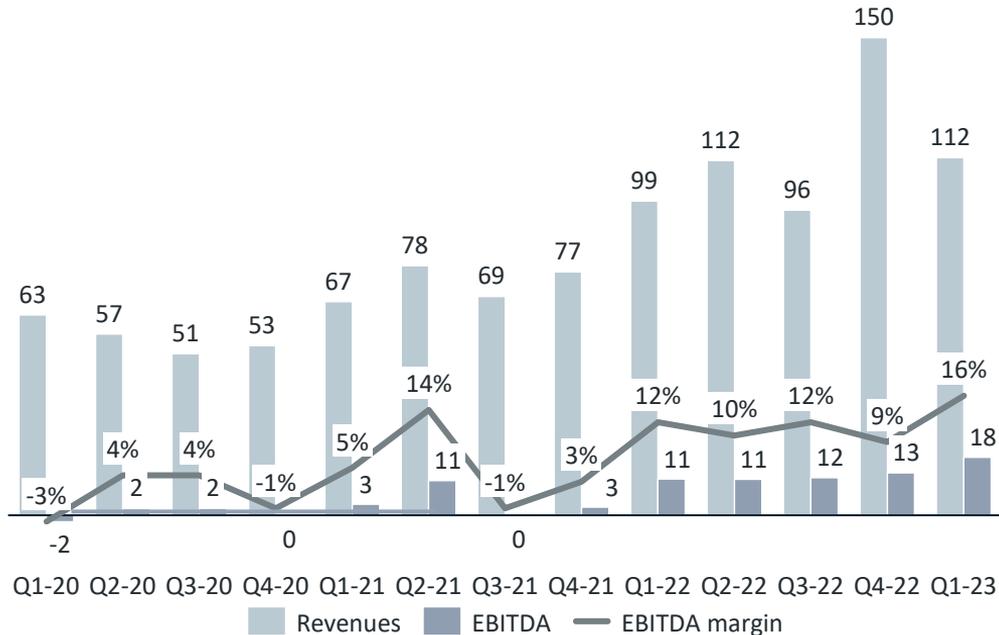


PIR

Product Innovation & Realization – Growth and improved profitability

Revenues and EBITDA

NOK million



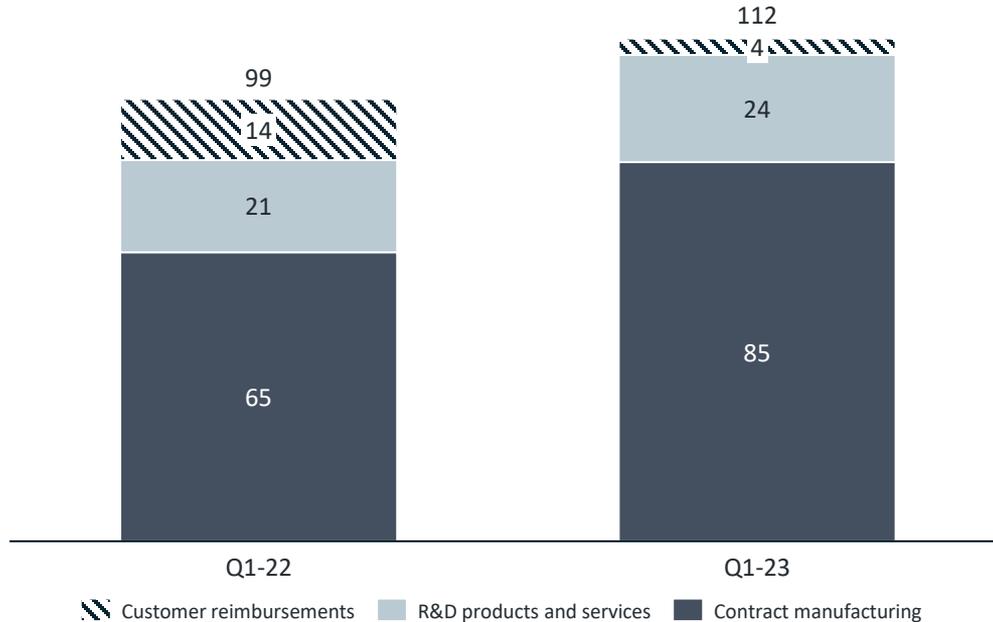
First quarter 2023

- Revenues of NOK 112 million, up 14 per cent from Q1-22. The increase was primarily driven by increased demand from industrial clients within contract manufacturing
 - 28 per cent growth adjusted for customer reimbursements
- EBITDA margin of 16 per cent, compared to 12 per cent in Q1-22

Revenue growth driven by contract manufacturing

PIR revenue mix

NOK million



Contract manufacturing



R&D products and services



Customer reimbursements

Customer reimbursements for extraordinary material costs within contract manufacturing

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Group financials

A wide-angle photograph of a long, straight asphalt road that appears to cross a body of water. The road is flanked by metal guardrails. In the background, there are large, rugged mountains covered in snow under a dramatic, cloudy sky. The water is a deep blue-green color.

Financials – P&L

<i>Amounts in NOK million</i>	Q1 2023	Q1 2022
Revenues	376.7	235.2
Raw materials and change in inventories	154.5	100.4
Employee benefit expenses	80.2	60.0
Other operating expenses	37.6	30.9
EBITDA	104.3	43.9
Depreciation and amortization expenses	25.8	20.2
Operating profit / EBIT	78.5	23.6
Net financial items	(8.3)	(6.4)
Profit before tax	70.2	17.2
Income tax expense	(18.3)	(4.7)
Profit for the period	51.9	12.5

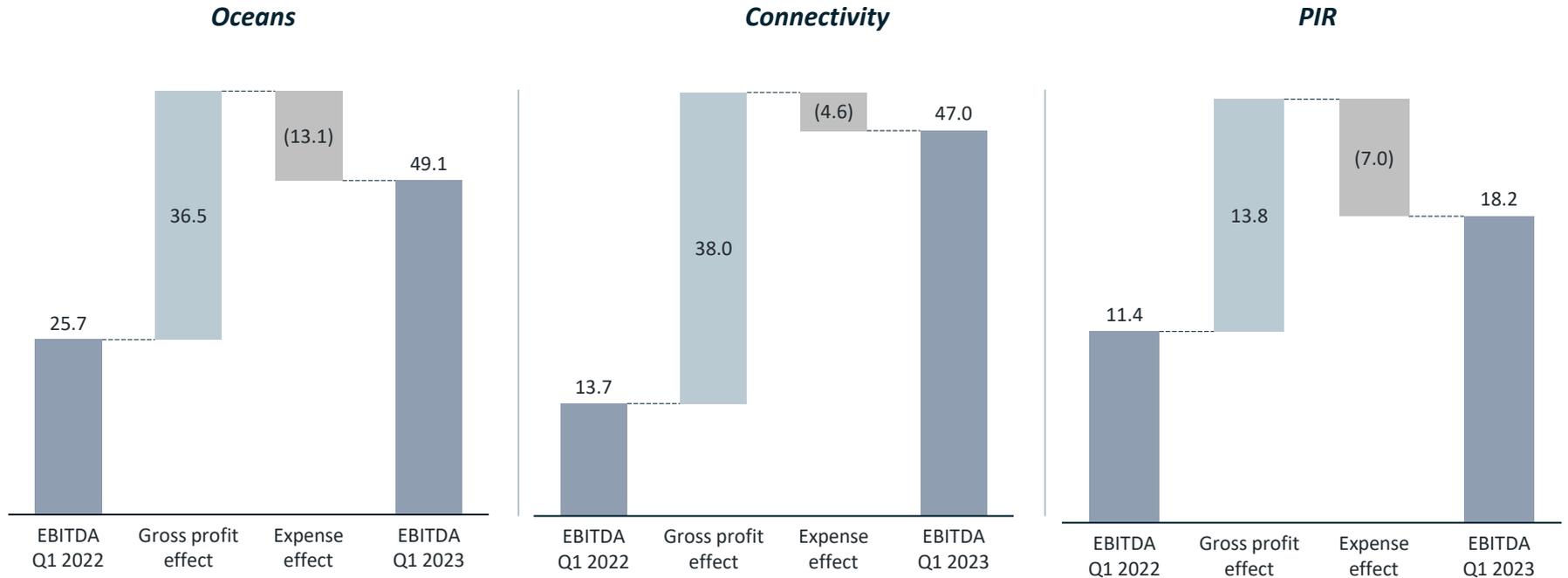
First quarter of 2023

- **Revenues** of NOK 376.7 million, up 60 per cent from Q1-22
 - All segments delivered revenue growth compared to Q1 2022
- **Gross margin** of 59 per cent, up from 57 per cent in Q1-22
- **Employee benefit expenses** of NOK 80.2 million versus NOK 60.0 million in Q1 2022
 - Increase driven by a continued strengthening of the organisation
- **Operating expenses** of NOK 37.6 million versus NOK 30.9 million in Q1-22 with increase primarily explained by warranty cost and provisions, travel expenses, maintenance costs, as well as an increase in the general expense level
- **EBITDA** of NOK 104.3 million (28 cent margin), up from NOK 43.9 million in Q1 2022 (19 per cent margin)
- **Net financial items** of negative NOK 8.3 million (negative NOK 6.4 million), of which NOK 6.7 million is explained by net interest expenses
- **Net profit** for the period of NOK 51.9 million including a tax expense of NOK 18.3 million

EBITDA improvement driven by all segments

Segment EBITDA development Q1 2023 vs. Q1 2022

NOK million



Financials – Balance sheet

Amounts in NOK million

	31.03.23	31.12.22
ASSETS		
Property, plant and equipment	183.9	187.7
Intangible assets	278.8	258.8
Goodwill	84.4	84.4
Deferred tax asset	13.0	15.6
Inventories	455.6	426.3
Trade receivables	154.7	168.0
Other receivables and prepayments	47.4	37.0
Other assets	1.5	1.3
Cash and cash equivalents	41.7	41.7
Total assets	1,261.0	1,220.8
LIABILITIES		
Interest-bearing borrowings	259.1	337.4
Lease liabilities	32.7	35.8
Trade payables	158.7	132.6
Other current liabilities	107.3	93.3
Other liabilities	36.3	22.3
Total liabilities	594.1	621.5
Total equity	666.9	599.3
Total liabilities and equity	1,261.0	1,220.8

Fixed and intangible assets

- Land and PPE: An decrease of NOK 3.8 million due to depreciation offsetting investments
- Intangible assets: An increase of NOK 20.0 million due to additions following acquisition of CPS, R&D investments, partly offset by amortisation

Working capital

- Inventories: Increase of NOK 29.2 million in the quarter on expectation of continued high activity
- Trade receivables: Decrease to NOK 154.7 million due to more receivables sold under the non-recourse factoring facility
- Trade payables: Increase to NOK 158.7 million on inventory build

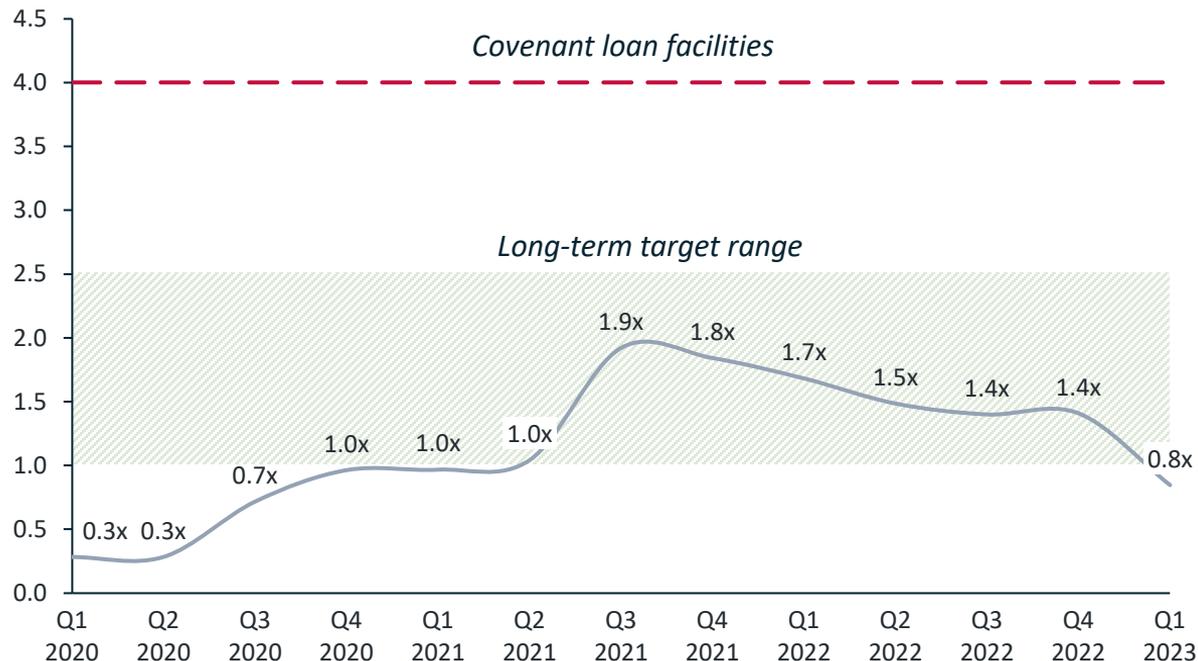
Net-interest bearing debt and equity

- Total borrowings of NOK 259.1 million, a decrease of NOK 78.3 million from prior quarter
- Net-interest bearing debt (excl. lease liabilities) of NOK 217.4 million, a decrease from NOK 295.6 million at 31.12
- Equity of NOK 666.9 million, representing an equity ratio of 53 per cent

Continued deleveraging on strong results and cash flow generation

NIBD/EBITDA

EBITDA 12 month rolling



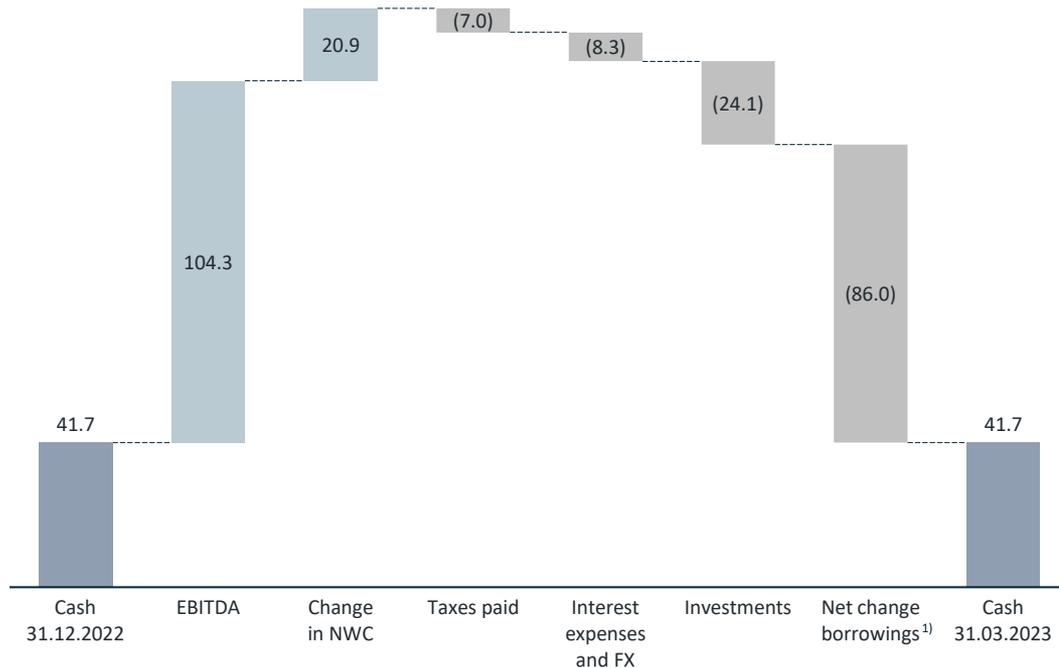
- NIBD/EBITDA ratio decreased to 0.8x from 1.4x in Q4-22
- Long-term target level between 1.0 – 2.5x NIBD¹/EBITDA over the cycle
- Covenants in loan facilities at 4.0x NIBD/EBITDA and equity ratio > 30%
 - 53 per cent equity ratio at Q1 2023
- NOK 519.9 million in undrawn credit facilities as per 31 March

1) NIBD defined as total interest bearing borrowings less cash and cash equivalents (including leasing liabilities starting Q3 2021). EBITDA on a 12 month rolling basis

Financials – Cash Flow

Cash flow development first quarter 2023

NOK million



1) Including repayment of leases

First quarter of 2023

- Operating cash flow of positive NOK 109.9 million
 - Net decrease in working capital of NOK 20.9 million, mainly related to decrease in trade receivables and an increase in trade payables, partly offset by an increase in inventory
- Investing activities generated a cash outflow of NOK 24.1 million
 - NOK 15.8 million invested in R&D.
 - NOK 5.8 million invested in machinery and equipment
 - NOK 2.4 million in net cash outflow from CPS acquisition and investment in other shares
 - Guidance for 2023 is NOK 60 – 70 million in R&D investments and NOK 35 – 45 million investments in fixed assets
- Financing activities led to a cash outflow of NOK 86.0 million following a net decrease in interest-bearing borrowings

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Outlook

A wide-angle, low-perspective shot of a two-lane asphalt road with metal guardrails on both sides. The road curves gently to the right and leads towards a prominent, snow-capped mountain peak in the distance. The road is flanked by clear, turquoise water. The sky is filled with large, dramatic clouds, with patches of blue visible. The overall scene is serene and majestic.

Short-term outlook



- Target to deliver revenues in the second quarter on par with revenues of the corresponding quarter of 2022, which was the best quarter last year



- Strong order intake in recent months supports short-term as well as longer term outlook
- Revenue guidance for second quarter is NOK 150 – 160 million

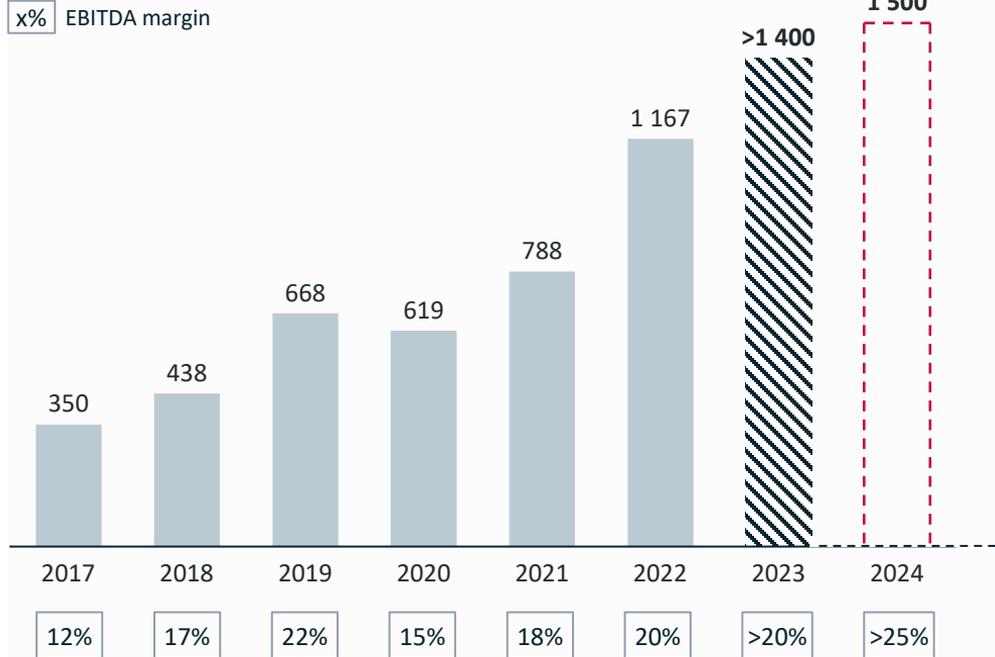


- High demand within contract manufacturing, driven by growth from existing and new customers
- Revenues for the second quarter is expected to be between NOK 90 – 100 million, which compares to NOK 78 million in the corresponding quarter of 2022, adjusted for customer reimbursements

Guidance for the year maintained

Organic revenue and EBITDA target

NOK million



- Revenue target for 2023 is in excess of NOK 1.4 billion, supported by growth in all three business segments
- Margins expected to improve from 2022
- Ambition is to deliver organic revenues in excess of NOK 1.5 billion and an EBITDA margin above 25 per cent in 2024
- Value-accretive acquisitions to add to organic growth target and ambition, although remaining disciplined

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TECHNOLOGY
IS PART OF THE SOLUTION



NORBIT is to be recognised as world class, enabling people to explore more



EXPLORING
SINCE 1995



~450 EMPLOYEES



~ 18 COUNTRIES

NORBIT

EURONEXT
OSLO BØRS



*"Victory awaits him who has everything in order. Luck people call it...
Defeat is certain for him who has neglected to take necessary precaution in time. This is called bad luck"*
Roald Amundsen 1912

Technology is part of the solution

Diversified and robust business model



Oceans is offering tailored technology solutions to global maritime markets



Connectivity is a leading technology solution provider for asset identification, monitoring and tracking



Product Innovation & Realization (PIR) is offering R&D services and contract manufacturing to key customers

Shareholder overview, updated 12 May 2023

#	Investor	# of shares	%
1	VHF INVEST AS – founder Steffen Kirknes	7,686,495	12.93
2	PETORS AS – CEO Per Jørgen Weisethaunet	7,000,000	11.77
3	REITAN KAPITAL AS	5,829,083	9.80
4	DRAUPNIR INVEST AS – family of founder Steffen Kirknes	5,102,949	8.58
5	ESMAR AS	3,162,286	5.32
6	J.P. Morgan SE - Handelsbanken Nordiska Småbolag	3,141,377	5.28
7	The Bank of New York Mellon SA/NV - Arctic Funds	3,132,508	5.27
8	EIDCO A/S	3,062,286	5.15
9	J.P. Morgan SE	1,404,875	2.36
10	Danske Invest Norge Vekst	971,400	1.63
11	Nordnet Bank AB	967,674	1.63
12	The Bank of New York Mellon SA/NV	876,645	1.47
13	J.P. Morgan SE - Handelsbanken Microcap Norden	795,392	1.34
14	Danske Bank A/S – MD Oceans Peter K. Eriksen	791,719	1.33
15	Citibank - Forager Funds	746,124	1.25
16	CLEARSTREAM BANKING S.A.	725,502	1.22
17	USEGI AS - CTO Arild Sjøraunet	721,989	1.21
18	SONSTAD AS	679,000	1.14
19	Carnegie Investment Bank AB	641,216	1.08
20	Danske Bank A/S	525,000	0.88
	Total top 20 shareholders	47,963,520	80.66
	Other shareholders	11,501,348	19.34
	Total	59,464,868	100.00